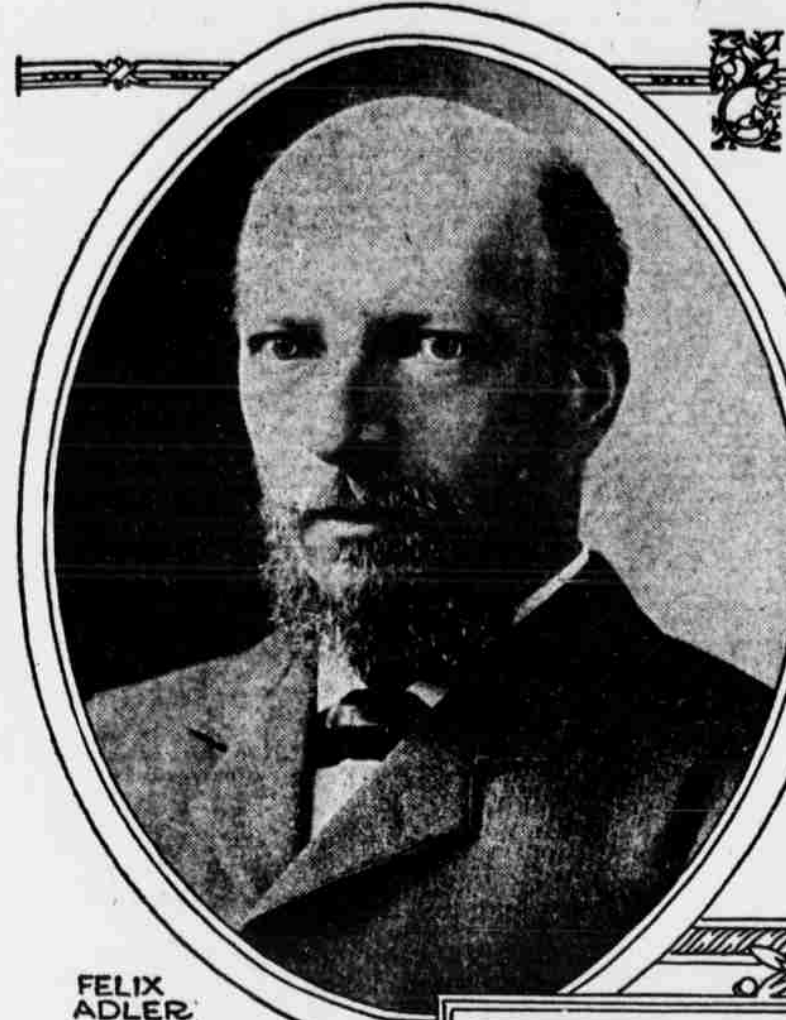


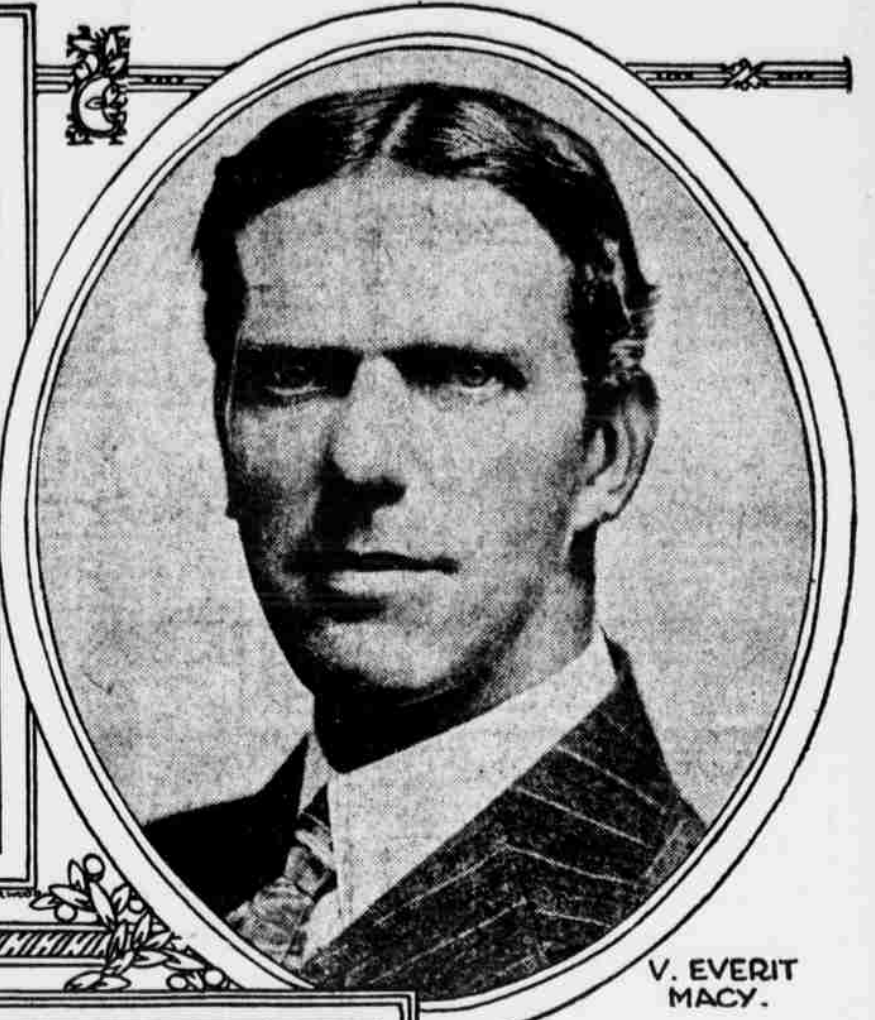
# More Buildings Only Solution of City Housing Problem



FELIX ADLER



The Mayor's Committee on Rents and Housing in Session.



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**Lacking Accommodations for 75,000 of the Families Here, New York Stands to Lose Enormously in Business and Prestige Unless Building Boom Starts Forthwith**

NEW YORK city in three years has outgrown its dwelling by accommodations for at least 75,000 families averaging four members each. The reason is of rule-of-thumb simplicity; no new building and normal, or perhaps abnormally large, increase of population. The remedy is to build houses. But who will build them?

With 1918, house building, already declining as building costs climbed, virtually stopped. When the United States went to war the Government stopped new private building enterprises altogether. Now the ban is off, building plans are being filed again, lots are changing hands, realty operators talking cheerfully of a coming building boom. Whence is the boom to come?

Come it must and soon or by next snowfall, according to the reckoning of Gov. Smith's State Reconstruction Commission, the city's acute housing shortage will be 60 per cent. worse than now and "the scarcity of houses will be so great and rents will be so high, unless houses are built this season, that labor will be turned away and New York's business, industry and prestige will suffer."

**The City's Normal Growth.** Population's normal increase in the Health Department statistics is 135,000 a year. But the Health Department statistics do not cover all the sources of contribution to the city's growth. Gov. Smith puts the increase at 250,000 without immigration, which is the estimate of his commission's housing committee.

The present shortage of accommodations for 75,000 families is in apartments and tenements alone. It takes no account of the underbuilding of city boroughs, which thousands of home-seekers are coming daily this spring in vain for a house or a flat to rent.

The average increase of accommodations from new building for twelve years before the war was 27,000. The number varied considerably from year to year. In 1906 it was high, but that was the climax of the great boom that followed the panic of 1907 came a deflation which left some sections temporarily overbuilt. Indeed, in some "suburban" communities the overbuilding of that time is said to have been sufficient to take care of the local increase of population for ten years ahead, and right up to our going to war minor speculative developments, anticipating the future in a highly sanguine way, were observable here and there.

**Families Double Up.** Now the investor who bought new, mortgaged property from the speculator and found himself stuck with it, as the saying is, and held on, is reaping his reward.

To speak of a shortage of 75,000 homes does not mean, of course, that 800,000 men, women and children are tramping the streets with their house-

hold goods on their backs and sleeping on park benches. But it does mean that tenants and guests or subtenants are doubled up to the last degree of discomfort, that every livable home—"livable" above the lowest degree of squalor and unhealthfulness and neglect—has an occupant, that the old luxurious large suites are turning into lesser suites, and old private houses into three to five family flats, that the landlord is czar and the tenant is at his mercy.

One index to the shortage is the percentage of vacant homes. Normally in any city there is a margin of vacant accommodations, the spare room in the city's house, and the tenant's protection against the profiteer. Experts place New York's normal margin at 5 per cent. of the whole. The Tenement House Commission's surveys—the highest priced apartment in town is technically a tenement, remember—show that in February, 1909, while still somewhat overbuilt, New York had vacant 8.5 per cent. of "new law" apartments and tenements. In March, 1914, the percentage was 4.03 per cent. In 1917, 1.75, and in March of this year, six-tenths of 1 per cent., and the 2,373 vacant accommodations making up that fraction are reported by the commission to be but technically "new law" and livable. But most of them are believed to be tenanted by now.

#### The Only Vacant Flats.

Of old law accommodations last March the imposing number of 19,110 were vacant, of which 18,352 were in the lower East Side of Manhattan, the others in two of the older congested districts of Brooklyn. How is this? A serious housing shortage, with 19,110 homes vacant, at very low rents? The landlords of these tenements don't understand it either, and they beseege the Reconstruction Commission's office and that of the Mayor's Committee on Rent Profiteering. "Ve got tenements! Ve got tenements! If people want to move, why don't dey come by us?"

The reasons why they don't are not printable, not describable in print, at least. The sober, statistical Tenement House Commission agrees with the findings of the survey workers of the Reconstruction Commission's committee that these vacant properties do not count. "The rottenest old dumps in New York, most of 'em with no jagoitors, and none

of 'em improved one penny's worth in years," is the language of an unofficial characterization from an official source. Before the war these were the temporary abodes of newly landed immigrants. The Southern Italians of the lower East Side were the more permanent tenants. To-day many of the neighborhood, prospering on war work wages, have moved uptown into sweeter and costlier quarters, and no immigrants are arriving to refill the "old dumps," and even under extreme urgency nobody else will live there.

#### Where Can One Move To?

Less than six-tenths of one per cent. of the city's homes vacant, and those doubtful commodities almost without exception! In other words, no homes are to be had. If a tenant thinks of moving, where is he to go? Not only the whole city, but the whole nation is in this same fix, although it is probably most aggravated here.

Hence the so-called rent profiteering. The Reconstruction Commission has recently made a report, confirming everybody else in the natural conclusion that the profiteering is a symptom of the housing shortage—that if there were houses enough in sight there could be no profiteers.

Another symptom is the remarkable amount of alteration of buildings in progress and projected. For Manhattan during January, February and March only three new building plans were filed, two for apartments, the third for a private house. But alteration plans were filed for the cutting up of 147 private houses into flats, and of 104 apartments and tenements into smaller suites. In April and the first half of May numerous transactions with this purpose were recorded, and no few of the addresses were those of private houses near Fifth avenue, from the Fiftieth to the Eightieth streets, or just off lower Central Park West, or in the still "desirable" centre of the Washington Square neighborhood.

**Two to Ten Years Behind.** Real estate men say that the day the intention to alter a house and make flats of it becomes known through the newspapers—or the neighbors—there are ten inquiries for every projected new suite, and that even in the high priced sections three and four room



FAMILIES BEING EVICTED FOR NON-PAYMENT OF RENT.

#### Tenements Erected in New York City, 1910-1918 Inclusive.

Year.	Tenements.	Apartments.	Rooms.	Estimate cost.
1910.....	2,698	32,113	147,569	\$86,341,750
1911.....	2,934	32,673	141,859	82,159,150
1912.....	1,885	26,763	113,152	63,134,215
1913.....	1,794	28,038	119,891	70,008,940
1914.....	1,243	20,576	87,327	48,406,300
1915.....	1,365	23,617	96,513	49,377,300
1916.....	1,207	21,359	88,054	51,792,000
1917.....	760	14,241	58,316	35,748,500
1918.....	130	2,706	11,332	8,262,500

suites are the new rule and the guest room is becoming a thing of the past. The guest will sleep on the davenport or one of the family will.

Everywhere the city is estimated to be at least two years underbuilt for housing, and in some of the outlying regions, especially of Queens, five to ten years behind the point where sound development would normally have brought it. W. A. Robertson of the Tenement House Commission thinks 1910 was the last year in which New York could be said to be overbuilt.

**What are we going to do about all this?**

A preliminary report of the Reconstruction Commission to the Governor, signed by Abram I. Elkus as chairman, lists possible sources of relief:

"1. A study has been made of the degree of relief that might be obtained from—  
"2. Speculative builders or lenders.  
"3. Insurance companies or other usual sources of loan.  
"4. Limited divided corporations.  
"5. Building and loan associations.  
"6. Fuller use of existing buildings, such as turning old single family dwellings into multi-family houses or

the repair of older tenements which are now practically out of use.  
"6. Dealers in building materials through lowering or stabilizing the prices of materials.

"If these agencies failed to respond sufficiently in supplying additional housing we proceeded to inquire as to how to take care of the increasing population."

#### What Optimists Say.

Optimists in the real estate world are talking of a coming spontaneous building boom, in spite of the present cost of building, which is variously reckoned to be 33 to 50 per cent. higher than it was in 1916 and which the most inveterate optimist hardly expects will decline for years to come. Since March the number of building plans filed has been looking up, but the filing of plans does not necessarily mean that ground is to be broken right away. As always when rents are high, building lots are low, and the optimists point to a sudden activity in lots well located on the west side of the Bronx.

Within four days, beginning May 2, five vacant city blocks of twenty-four

lots each in that section were bought by one operator, ninety-six lots by another, and seventy-five lots more by these two and a third; and the three men are known for their shrewdness in judging the future of real estate. Their attention has turned from apartment houses, lately the leading medium in transactions owing to the rise of rents, to vacant land. Apparently they foresee an early building boom.

But building high grade and high renting apartments in which the speculator may see profit enough to offset the high costs will not take care of the small wage earner, and he is the man for whom the Reconstruction Commission is trying to find early relief from the housing shortage.

#### Money Is Tight.

Against the chance of any sort of building boom is the present tightness of money for large enterprises, which in part is a result of the Liberty loans. The usual sources of loans on building mortgages, insurance companies, trust companies and others, would not even consider such business while the Victory Loan was in prospect. Moreover, private capital generally seems distrustful. The last building boom, especially in the Bronx, had an aftermath of foreclosures and temporary depreciation.

Also building is being held back by dread of future competition. "Investors fear that building costs will presently drop and that next year houses can be built more cheaply, so that the present builder will lose," says one realty man. He believes, however, that people are beginning to recover from such fear and to see that the high costs bid fair to continue.

Falling immediate resumption of private house building, it has been suggested that the State or the city issue bonds and build, or even that the national Government might furnish money for housing the workingman. The Reconstruction Commission sees no hope in these suggestions, not because they are "socialistic" or "paternalistic" but for the practical reason that such help could not come in time if it could at all.

"The United States Government," says a statement by the housing committee, "has recently passed legislation—the Federal farm loan act of 1916—under which money is loaned to

associations of farmers to improve their land, erect necessary buildings and so on. It has been suggested that the United States, in this nationwide housing crisis, should furnish money.

"The suggestion for ultimate relief is an excellent one. The workingman in the town or city is as much entitled to relief and certainly as much in need of it as the farmer. Even if, however, there is an extra session of Congress, which is more favorably predisposed to housing than the last Congress, it would be impossible to pass the laws and install the necessary intricate machinery in time to obtain the houses this year.

"For relief by State legislation," says Frank B. Williams, legal expert on housing of our advisory council, a constitutional amendment of the State Constitution is necessary. To amend the Constitution requires the action of two Legislatures and the approval of the people, which means three years delay at least."

Mr. Williams himself discussed for The Sun the obstacles in the way of action by the city. "In view of the statutes empowering the city authorities to provide for the 'general health, comfort, and welfare' of the citizens, it may seem illogical and absurd," he said, "that the authorities should not be free to meet this emergency by raising money and building. I am not opposed to it, you understand. If it could be done, well and good.

"But law and logic are never quite identical. We are always a few years ahead of the laws, and trying to bring them up to changed conditions. In their present state, my opinion is that the courts could not sustain the city in issuing bonds to build houses, and that while the matter was pending investors would look askance at the bonds for fear of their proving invalid. It has never been held a public affair to furnish a man his house."

#### "Philanthropy" Is Disliked.

Another possible source of early relief is appeal to private capital to finance house building, with assured but limited return on the investment, out of public spirit. "Philanthropy" has been talked about, but the Reconstruction Commission dislikes the word. In reporting to Gov. Smith, the chairman, Abram I. Elkus, presented these conclusions: "Cost of building will not return to

**Present Crisis Another Illustration of History's Repeating Itself as Shown by Review of the Conditions Which Existed Shortly After the Close of War of the Rebellion**

its pre-war level; for some years it will probably not be greatly decreased. "Next winter the scarcity of houses in New York city will be so great and rents will be so high unless houses are built this season that labor will be turned away from this city and New York's business, industry and prestige will suffer.  
"Building at the present moment can be made to give a limited return on present average rentals if:  
"A. Cheap land within easy reach of existing industry be used.  
"B. Building be carried on on a large scale.  
"C. Expert experienced advice be secured from men accustomed to handling housing on a large scale from the point of view of finance, design building and management. On cheap land it will be possible to build apartments less congested than existing houses."

**A Momentous Conference.** "Cheap land within easy reach" of industry means land near the ends of the new suburbs.  
By the time of publication of this article, the commission believes, newspaper readers will know of a new private building loan corporation, the subscribers guaranteed a return of 5 or 6 per cent. A subscription of \$20,000,000 was hoped for, several millions confidently expected.

"Even one million," said Mr. Elkus, "would be a start. Of course, the amount of housing it would provide would not be a drop in the bucket. But we believe the start would hearten private capital generally and that the lead would be followed in time to avert the threatened acute shortage. Fundamentally the temporary standstill of building operations is a part of the general reaction in business since the war effort ceased. The business world has slackened and is slow to gather its forces and go on. In this matter we think the resumption can be hastened."

After elaborate studies the housing committee estimates the average rise of building costs in the city since 1914 at 50 per cent., and finds that labor has been the great factor in the rise, on which circumstance it bases its prediction that the cost will stay up.

**Analyzing Building Costs.** "Have you heard of building labor growing cheaper?" asked a member of the committee. "Do the unions contemplate its growing cheaper? The present cost of building is 40 per cent. labor at the site and in assembling materials, 35 per cent. labor at mines and factories and in the manufacture of building materials, 20 per cent. raw materials and 5 per cent. freight. Three-fourths of it is labor. The prophet of a decline of the cost to the detriment of early builders, has not taken account of the fact."

Before the war, according to a conservative investigator, larger "walkup" apartments and tenements, averaging three rooms to a suite, could be built

(Continued on Sixth Page.)